

**FY 2002 Medical Assistance Program
(Medicaid) Supplemental Bill
House File 2245**

Last Action:

House Floor

February 7, 2002

AN ACT relating to the Medical Assistance Program, making appropriations and transfers of funds, and providing an effective date.



LEGISLATIVE FISCAL BUREAU

NOTES ON BILLS AND AMENDMENTS (NOBA)

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EXECUTIVE SUMMARY

HOUSE FILE 2245

NOTES ON BILLS AND AMENDMENTS FY 2002 MEDICAL ASSISTANCE (MEDICAID) SUPPLEMENTAL BILL

FISCAL IMPACT

- Appropriates \$48.5 million, transfers \$9.5 million, and changes criteria and services to save an estimated \$3.9 million to supplement the FY 2002 Medical Assistance Program (Medicaid) for a total of \$61.9 million. This includes:
 - \$39.0 million from the Senior Living Trust Fund.
 - \$9.5 million transfer from the FY 2002 Nursing Home Conversion appropriation from the Senior Living Trust Fund.
 - \$2.5 million from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund.
 - \$7.0 million from the Hospital Trust Fund. Includes a contingent appropriation of \$7.0 million from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund in the event that federal funds are not deposited into the Hospital Trust Fund for appropriation.
 - \$2.0 million from projected savings due to monthly reporting requirements.
 - \$1.6 million from projected savings due to changes in dental coverage.
 - \$0.3 million from projected savings for prescription drug co-payment changes.

SENIOR LIVING TRUST FUND

- Appropriates \$39.0 million from the Senior Living Trust Fund to supplement the FY 2002 Medical Assistance Program. (Page 1, Line 1)
- Transfers \$9.5 million from the FY 2002 Senior Living Trust Fund appropriation of \$20.0 million for Nursing Home Conversion Grants to supplement the FY 2002 Medical Assistance Program. (Page 1, Line 20)

ENDOWMENT FOR IOWA'S HEALTH ACCOUNT

- Appropriates \$2.5 million from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund to supplement the FY 2002 Medical Assistance Program. (Page 1, Line 35)

HOSPITAL TRUST FUND

- Appropriates \$7.0 million from the Hospital Trust Fund to supplement the FY 2002 Medical Assistance Program. (Page 2, Line 13)
- Transfers \$2.5 million from the Hospital Trust Fund to the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund, and any remaining funds within the Trust Fund, to the Senior Living Trust Fund. (Page 2, Line 26 through Page 2, Line 35)

CONTINGENT APPROPRIATION

- Provides a \$7.0 million contingent appropriation from the Endowment for Iowa's Health Account in the event that federal funds are not deposited into the Hospital Trust Fund for appropriation. (Page 3, Line 1)

MONTHLY REPORTING REQUIREMENTS

- Requires the Department of Human Services to adopt rules for monthly reporting of changes in income or resources in the Medical Assistance Program. The estimated General Fund savings for FY 2002 is \$2.0 million. (Page 4, Line 5)

PREVENTIVE DENTAL SERVICES

- Requires the Department of Human Services to limit adult dental services to preventive services only. The estimated General Fund savings for FY 2002 is \$1.6 million. (Page 4, Line 11)

EXECUTIVE SUMMARY

HOUSE FILE 2245

NOTES ON BILLS AND AMENDMENTS FY 2002 MEDICAL ASSISTANCE (MEDICAID) SUPPLEMENTAL BILL

PRESCRIPTION DRUG COPAYMENTS

- Requires the Department of Human Services to change the copayment policy in the Medical Assistance Program. The current \$1.00 copayment remains for generic drugs only. A \$2.00 copayment is established for brand name drugs if the payment is between \$25.00 and \$50.00 per prescription and refill. A \$3.00 copayment is established for brand name drugs if the payment is more than \$50.00. The estimated General Fund savings for FY 2002 is \$270,000. (Page 4, Line 17)

MEDICAL ASSISTANCE ADVISORY GROUP

- Establishes a joint legislative and executive branch advisory group to provide on-going analysis and recommendations regarding the Medical Assistance Program. (Page 4, Line 30)

NURSING FACILITY DUAL CERTIFICATION

- Requires all licensed nursing facilities be certified under both the federal Medicare and the Medical Assistance Program (Medicaid) as a condition for participation in the Medical Assistance Program (Medicaid) beginning October 1, 2002. (Page 5, Line 25)

EMERGENCY ADMINISTRATIVE RULES

- Permits the Department of Human Services to adopt emergency administrative rules to implement the Bill. (Page 5, Line 31)

EFFECTIVE UPON ENACTMENT

- Specifies that the Bill takes effect upon enactment. (Page 6, Line 11)

House File 2245

House File 2245 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
5	25	9	Adds	Sec. 249A.20A	Nursing Facilities Dual Certification Required
5	31	10	Nwthstnd	Sec. 17A.4(5) and 17.A.8(9)	Emergency Rules

1 1 Section 1. DEPARTMENT OF HUMAN SERVICES APPROPRIATION --
 1 2 SENIOR LIVING TRUST FUND -- MEDICAL ASSISTANCE. After
 1 3 applying the reduction made pursuant to executive order number
 1 4 24 to the appropriation made to the department of human
 1 5 services for the medical assistance program for the fiscal
 1 6 year beginning July 1, 2001, and ending June 30, 2002, there
 1 7 is appropriated from the senior living trust fund created in
 1 8 section 249H.4, to the department of human services for the
 1 9 fiscal year beginning July 1, 2001, and ending June 30, 2002,
 1 10 the following amount, or so much thereof as is necessary, to
 1 11 supplement appropriations made for the following designated
 1 12 purpose:
 1 13 To supplement the appropriation made for the medical
 1 14 assistance program in 2001 Iowa Acts, chapter 184, section 1;
 1 15 2001 Iowa Acts, chapter 191, section 7; 2001 Iowa Acts,
 1 16 chapter 192, section 2; and any appropriation made for fiscal
 1 17 year 2001-2002 for the medical assistance program in this or
 1 18 any other Act:
 1 19 \$ 39,000,000

Senior Living Trust Fund appropriation to the Department of Human Services to supplement the FY 2002 Medical Assistance Program (Medicaid).

DETAIL: A total of \$39,000,000 is appropriated from the Senior Living Trust Fund to the Department of Human Services to supplement the FY 2002 Medical Assistance Program. This Program received a General Fund appropriation of \$413,150,000, a transfer from Property Tax Relief of \$6,600,000, an appropriation of \$28,500,000 from the Tobacco Settlement Fund, and an appropriation of \$25,460,000 from the Senior Living Trust Fund in FY 2002. This was reduced by \$18,600,000 as a result of the 4.3% across-the-board reduction. Additional FY 2002 needs of \$61,000,000 have been identified by the Department.

1 20 Sec. 2. DEPARTMENT OF HUMAN SERVICES -- SENIOR LIVING
 1 21 TRUST FUND -- TRANSFER. For the fiscal year beginning July 1,
 1 22 2001, and ending June 30, 2002, there is transferred from the
 1 23 appropriation made to the department of human services
 1 24 pursuant to 2001 Iowa Acts, chapter 192, section 2, subsection
 1 25 1, to provide grants to nursing facilities for conversion to
 1 26 assisted living programs or to provide long-term care
 1 27 alternatives, the following amount, or so much thereof as is
 1 28 necessary, to supplement the appropriation made for the
 1 29 medical assistance program in 2001 Iowa Acts, chapter 184,
 1 30 section 1; 2001 Iowa Acts, chapter 191, section 7; 2001 Iowa
 1 31 Acts, chapter 192, section 2; and any appropriation made for
 1 32 fiscal year 2001-2002 for the medical assistance program in
 1 33 this or any other Act:
 1 34 \$ 9,500,000

Senior Living Trust Fund transfer from the FY 2002 appropriation made to the Department of Human Services for nursing home conversion grants to supplement the FY 2002 Medical Assistance Program.

DETAIL: A total of \$9,500,000 is transferred from the FY 2002 appropriation of \$20,000,000 for nursing home conversion grants to supplement the FY 2002 Medical Assistance Program.

1 35 Sec. 3. DEPARTMENT OF HUMAN SERVICES -- TOBACCO SETTLEMENT

Endowment for Iowa's Health Account appropriation to the

2 1 FUND -- APPROPRIATION -- MEDICAL ASSISTANCE. For the fiscal
 2 2 year beginning July 1, 2001, and ending June 30, 2002, there
 2 3 is appropriated from the endowment for Iowa's health account
 2 4 of the tobacco settlement trust fund created in section
 2 5 12E.12, to the department of human services the following
 2 6 amount, or so much thereof as is necessary, to supplement the
 2 7 appropriation made for the medical assistance program in 2001
 2 8 Iowa Acts, chapter 184, section 1; 2001 Iowa Acts, chapter
 2 9 191, section 7; 2001 Iowa Acts, chapter 192, section 2; and
 2 10 any appropriation made for fiscal year 2001-2002 for the
 2 11 medical assistance program in this or any other Act:
 2 12 \$ 2,500,000

Department of Human Services to supplement the FY 2002 Medical Assistance Program.

DETAIL: A total of \$2,500,000 is appropriated from the Endowment for Iowa's Health Account to supplement the FY 2002 Medical Assistance Appropriation. Prior to this appropriation, the FY 2002 ending balance of the Endowment was estimated to be \$58,600,000.

2 13 Sec. 4. DEPARTMENT OF HUMAN SERVICES APPROPRIATION --
 2 14 HOSPITAL TRUST FUND.
 2 15 1. There is appropriated from the hospital trust fund
 2 16 created in section 249I.4 to the department of human services
 2 17 for the fiscal year beginning July 1, 2001, and ending June
 2 18 30, 2002, the following amount, or so much thereof as is
 2 19 necessary, to be used to supplement the appropriation made for
 2 20 the medical assistance program in 2001 Iowa Acts, chapter 184,
 2 21 section 1; 2001 Iowa Acts, chapter 191, section 7; 2001 Iowa
 2 22 Acts, chapter 192, section 2; and any appropriation made for
 2 23 fiscal year 2001-2002 for the medical assistance program in
 2 24 this or any other Act:
 2 25 \$ 7,000,000

Hospital Trust Fund appropriation to the Department of Human Services to supplement the FY 2002 Medical Assistance Program.

DETAIL: A total of \$7,000,000 is appropriated from the FY 2002 Hospital Trust Fund to supplement the FY 2002 Medical Assistance Program. The DHS has submitted the amendment to the State Medicaid Plan necessary to obtain these additional federal funds. To date no action has been taken to approve the amendment and no federal funds have been released and deposited into the Fund. The expectation is that \$9,000,000 to \$12,000,000 per year should be deposited into the Fund.

2 26 2. Following the appropriation of moneys pursuant to
 2 27 subsection 1, of the moneys remaining in the hospital trust
 2 28 fund, \$2,500,000 shall be transferred to and deposited in the
 2 29 endowment for Iowa's health account of the tobacco settlement
 2 30 trust fund created in section 12E.12.
 2 31 3. Following the appropriation of moneys pursuant to
 2 32 subsection 1, and the transfer and deposit of moneys pursuant
 2 33 to subsection 2, any remaining moneys in the hospital trust
 2 34 fund shall be transferred to and deposited in the senior

Hospital Trust Fund transfer to the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund and the Senior Living Trust Fund.

DETAIL: From the balance remaining in the Hospital Trust Fund for FY 2002 after the transfer to Medical Assistance Program, \$2,500,000 is transferred to the Endowment for Iowa's Health Account of the Tobacco Settlement Fund and the remaining balance is transferred to the Senior Living Trust Fund.

2 35 living trust fund created in section 249H.4.

3 1 Sec. 5. FEDERAL FUNDS -- CONTINGENCY -- TOBACCO SETTLEMENT
 3 2 FUND -- MEDICAL ASSISTANCE.

3 3 If federal funds are not received in accordance with
 3 4 chapter 249I, during the fiscal year beginning July 1, 2001,
 3 5 and ending June 30, 2002, there is appropriated from the
 3 6 endowment for Iowa's health account of the tobacco settlement
 3 7 trust fund created in section 12E.12, to the department of
 3 8 human services for that fiscal year the following amount or so
 3 9 much thereof as is necessary, to be used to supplement the
 3 10 appropriation made for the medical assistance program in 2001
 3 11 Iowa Acts, chapter 184, section 1; 2001 Iowa Acts, chapter
 3 12 191, section 7; 2001 Iowa Acts, chapter 192, section 2; and
 3 13 any appropriation made for fiscal year 2001-2002 for the
 3 14 medical assistance program in this or any other Act:
 3 15 \$ 7,000,000

Endowment for Iowa's Health Account contingent appropriation to the Department of Human Services to supplement the FY 2002 Medical Assistance Program.

DETAIL: This contingent appropriation is made if sufficient federal funds are not received in the newly created Hospital Trust Fund.

3 16 1. However, if federal funds are received in accordance
 3 17 with chapter 249I at any time during the succeeding fiscal
 3 18 year, the first \$7,000,000 shall be transferred to and
 3 19 deposited in the endowment for Iowa's health account of the
 3 20 tobacco settlement trust fund created in section 12E.12.
 3 21 2. If federal funds are not received as provided in
 3 22 subsection 1, the department of human services shall transfer
 3 23 \$7,000,000 of the moneys appropriated to the department in
 3 24 that fiscal year to the endowment for Iowa's health account of
 3 25 the tobacco settlement trust fund created in section 12E.12.

Hospital Trust Fund receipts deposited into the Endowment for Iowa's Health Account.

DETAIL: The first \$7,000,000 of federal receipts received by the State in the Hospital Trust Fund are to be transferred to and deposited in the Endowment for the Iowa's Health Account of the Tobacco Settlement Trust Fund. However, if the federal funds are not received, the Department of Human Services is required to transfer \$7,000,000 from its FY 2003 funding to the Endowment for Iowa's Health Account.

3 26 Sec. 6. FEDERAL FUNDS -- TRANSFER AND DEPOSIT IN TRUST
 3 27 FUNDS. If federal funding is not received during the fiscal
 3 28 year beginning July 1, 2001, in accordance with chapter 249I,
 3 29 but unanticipated federal funding is received during the
 3 30 fiscal years beginning July 1, 2001, or beginning July 1,
 3 31 2002, the purpose of which is to reimburse the costs of the
 3 32 medical assistance program, the unanticipated funding received

Endowment for Iowa's Health Account and the Senior Living Trust Fund transfers from unanticipated federal funding.

DETAIL: A total of \$2,500,000 is to be deposited in the Endowment for Iowa's Health Account if unanticipated federal funding for the Medical Assistance Program is received during the fiscal years beginning July 1, 2001, or July 1, 2002. Federal funds received in

<p>3 33 shall be credited as follows: 3 34 1. Of the moneys received, \$2,500,000 shall be credited to 3 35 the endowment for Iowa's health account of the tobacco 4 1 settlement trust fund created in section 12E.12. 4 2 2. Following the crediting of moneys pursuant to 4 3 subsection 1, any remaining moneys received shall be credited 4 4 to the senior living trust fund created in section 249H.4.</p>	<p>excess of the \$2,500,000 are to be deposited in the Senior Living Trust Fund.</p>
<p>4 5 Sec. 7. MEDICAL ASSISTANCE -- REPORTING REQUIREMENTS -- 4 6 DENTAL SERVICES FOR ADULTS -- PHARMACEUTICAL COPAYMENT. 4 7 1. The department of human services shall require 4 8 applicants for or recipients of medical assistance to report 4 9 changes in income or resources that affect eligibility on a 4 10 monthly basis.</p>	<p>Requires the Department of Human Services to adopt rules for monthly reporting of changes in income or resources in the Medical Assistance Program.</p> <p>DETAIL: This is a change from the current policy which requires reporting when certain conditions exist. The estimated General Fund savings for FY 2002 is \$2,000,000.</p>
<p>4 11 2. Beginning March 1, 2002, adults receiving dental 4 12 services under the medical assistance program shall receive 4 13 only preventive services, diagnostic services, restorative 4 14 services limited to white and silver fillings, and prosthetic 4 15 services limited to dentures only if the dentures are 4 16 necessary to establish masticatory function.</p>	<p>Requires the Department of Human Services to limit adult dental service to preventive services, diagnostic services, certain restorative services, and prosthetic services limited to dentures only in the Medical Assistance Program.</p> <p>DETAIL: These services are defined in the Department administrative rules. The estimated General Fund savings for FY 2002 is \$1,600,000.</p>
<p>4 17 3. The department of human services shall require 4 18 recipients of medical assistance to pay the following 4 19 copayment on each covered drug prescription, including each 4 20 refill as follows: 4 21 a. A copayment of \$1 for each covered generic drug 4 22 prescription. 4 23 b. A copayment of \$1 for each covered brand-name drug 4 24 prescription for which the cost to the state is less than \$25. 4 25 c. A copayment of \$2 for each covered brand-name drug 4 26 prescription for which the cost to the state is between \$25 4 27 and \$50.</p>	<p>Requires the Department of Human Services to increase copayment for prescription drugs and refills in the Medical Assistance Program.</p> <p>DETAIL: The copayment policy for prescription drugs and refills is changed. The current \$1.00 copayment remains for generic drugs only. A \$2.00 copayment is established for brand name drugs if the payment is between \$25.00 and \$50.00 per prescription and refill. A \$3.00 copayment is established for brand name drugs if the payment is more than \$50.00 per prescription and refill. The estimated savings to the FY 2002 Medical Assistance Program is \$270,000.</p>

4 28 d. A copayment of \$3 for each covered brand-name drug
4 29 prescription for which the cost to the state is over \$50.

4 30 Sec. 8. MEDICAL ASSISTANCE ADVISORY GROUP.
4 31 1. The department of human services shall convene a joint
4 32 legislative and executive branch medical assistance advisory
4 33 group to provide ongoing analysis and recommendations
4 34 regarding the medical assistance program in this state. The
4 35 membership of the advisory group shall consist of the
5 1 chairpersons and ranking members of the human services
5 2 appropriations subcommittee, the director of the department of
5 3 management, and the director of human services. The goal of
5 4 the advisory group shall be to propose recommendations for
5 5 systemic changes in the medical assistance program to reduce
5 6 state costs.

5 7 2. The advisory group shall consider, at a minimum, the
5 8 reports and recommendations of the joint legislative and
5 9 executive branch medical assistance work group that met in
5 10 fall 2001, including but not limited to recommendations
5 11 related to alternative forecasting methods in determining
5 12 participation in the medical assistance program and options
5 13 relating to prescription drugs. The advisory group shall also
5 14 consult with national and regional entities, including but not
5 15 limited to the national conference of state legislatures, the
5 16 council of state governments, the national governors
5 17 association, and other entities that may provide assistance in
5 18 addressing growth in and cost-containment strategies related
5 19 to the medical assistance program.
5 20 3. The advisory group shall submit a report to the fiscal
5 21 committee and to the chairpersons and members of the human
5 22 services appropriations subcommittee no later than June 1,
5 23 2002. The advisory group shall meet, as necessary, to
5 24 continue review of the medical assistance program.

5 25 Sec. 9. NEW SECTION. 249A.20A NURSING FACILITIES -- DUAL
5 26 CERTIFICATION REQUIRED.

Establishes a joint legislative and executive branch advisory group to provide on-going analysis and recommendations regarding the Medical Assistance Program. Specifies the membership, goal, and duties of the advisory group. Requires the advisory group to submit a report to the Fiscal Committee and Human Services Appropriations Subcommittee by June 1, 2002.

DETAIL: The advisory group will consider work previously done by the Medicaid Work Group that met in the Fall of 2001 and consult with national and regional entities that provide assistance in addressing growth in and cost containment strategies related to the Medical Assistance Program.

CODE: Requires all licensed nursing facilities be certified under both the federal Medicare and Medicaid Programs as a condition for

5 27 Beginning October 1, 2002, all licensed nursing facilities
5 28 shall be certified under both the federal Medicare program and
5 29 the medical assistance program as a condition for
5 30 participation in the medical assistance program.

participation in the Medical Assistance Program beginning October 1, 2002.

5 31 Sec. 10. EMERGENCY RULES. If it is necessary to adopt
5 32 rules to implement a provision of this Act, the department of
5 33 human services may adopt administrative rules under section
5 34 17A.4, subsection 2, and section 17A.5, subsection 2,
5 35 paragraph "b", to implement the provisions and the rules shall
6 1 become effective immediately upon filing, unless the effective
6 2 date is delayed by the administrative rules review committee,
6 3 notwithstanding section 17A.4, subsection 5, and section
6 4 17A.8, subsection 9, or a later effective date is specified in
6 5 the rules. Any rules adopted in accordance with this section
6 6 shall not take effect before the rules are reviewed by the
6 7 administrative rules review committee. Any rules adopted in
6 8 accordance with the provisions of this section shall also be
6 9 published as notice of intended action as provided in section
6 10 17A.4.

CODE: Permits the DHS to use expedited rulemaking procedures if necessary to implement the provisions of this Bill.

6 11 Sec. 11. EFFECTIVE DATE. This Act, being deemed of
6 12 immediate importance, takes effect upon enactment.

Specifies the Bill takes effect upon enactment.

6 13 HF 2245

6 14 pf/es/25

**Human Services
Non General Fund**

	<u>Actual FY 2000</u>	<u>Actual FY 2001</u>	<u>House Action FY 2002</u>	<u>Page & Line Number</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>
<u>Human Services, Department of</u>				
FY 2002 Medicaid Supplemental/SLTF			39,000,000	PG 1 LN 1
Tobacco Endowment			2,500,000	PG 1 LN 35
Hospital Trust Fund-Medicaid			\$ 7,000,000	PG 2 LN 13
Tobacco Endowment Contingent			31 7,000,000	PG 3 LN 1
	<hr/>	<hr/>	<hr/>	
Total Human Services	\$ 0	\$ 0	\$ 48,500,000	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	
Contingency 31 Tobacco Endowment (\$	0	\$ 0	\$ 7,000,000	PG 3 LN 1

SENIOR LIVING TRUST FUND
\$39.0 million more to Medical Assistance in FY 2002 and continued into FY 2003 and beyond

State Fiscal Year	Budgeted FY 2001	Actual Exp. FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Beginning of SFY Fund			\$60,891,949	\$87,213,933	\$105,882,303	\$40,972,822	-\$45,159,826	-\$118,141,285	-\$193,612,546	-\$271,694,757
Intergovt Transfer (9/1/01 Estimate)	\$95,621,331	\$95,621,331	\$112,972,000	\$106,067,000	\$24,580,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Interest	\$3,442,368	\$3,807,946	\$4,172,735	\$4,638,742	\$3,131,095	\$1,031,348	-\$1,035,836	-\$2,787,391	-\$4,598,701	-\$6,472,674
Income Total	\$99,063,699	\$99,429,277	\$178,036,683	\$197,919,676	\$133,593,398	\$44,004,170	-\$44,195,662	-\$118,928,675	-\$196,211,247	-\$276,167,431
NF Conversion/LTC Service Grants	\$20,000,000	\$454,258	\$20,000,000	\$20,000,000	\$20,000,000	\$15,900,000				
The Bill transfers \$9.5 million from the FY 2002 appropriation for the nursing facility conversion grants to the Medical Assistance Program.										
DHS Service Delivery										
Assisted Living Rent Sub	\$700,000	\$0	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
HCBS Elderly Waiver	\$710,400	\$0	\$710,000	\$710,000	\$734,140	\$759,101	\$784,910	\$811,597	\$839,192	\$867,724
NF Case Mix and Price Methodology	\$17,750,000	\$33,650,000	\$24,750,000	\$24,750,000	\$24,750,000	\$24,750,000	\$24,750,000	\$24,750,000	\$24,750,000	\$24,750,000
Medical Assistance			\$39,000,000							
DHS Administration & Contracts	\$829,634	\$341,792	\$323,406	\$323,406	\$325,382	\$339,402	\$339,402	\$339,402	\$339,402	\$339,402
DEA Admin & Service Delivery	\$3,894,954	\$3,798,109	\$4,969,364	\$6,105,754	\$6,624,743	\$7,187,846	\$7,798,813	\$8,461,712	\$9,180,958	\$9,961,339
	\$293,169	\$293,169	\$369,980	\$448,213	\$486,311	\$527,647	\$572,497	\$621,159	\$673,958	\$731,244
Expenditure Total	\$44,178,157	\$38,537,328	\$90,822,750	\$92,037,373	\$92,620,576	\$89,163,996	\$73,945,622	\$74,683,870	\$75,483,510	\$76,349,709
Ending Trust Fund Value	\$54,885,542	\$60,891,949	\$87,213,933	\$105,882,303	\$40,972,822	-\$45,159,826	-\$118,141,285	-\$193,612,546	-\$271,694,757	-\$352,517,140

Assumptions:

FY 2002 utilizes \$39.0 million toward the projected FY 2002 Medicaid shortfall.

FY 2003 and future fiscal years continue the use of the FY 2002 \$39.0 million supplemental.

Phase out of reimbursement for non-govt facilities by September 30, 2003.

4.0 % Interest rate.

3.4% increase in Home and Community Based Services waiver costs.

Assumes any future increases for nursing facilities will be paid by the General Fund.

Department of Elder Affairs Services and Administration based upon FY 2003 request, 8.5% thereafter.